



Program Impact

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Special thanks to our sponsors:



ULI Minnesota

Regional Council of Mayors

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Workshop Purpose. ULI Minnesota initiated the Navigating the New Normal (“NNN”) workshop series in the Fall of 2011 and will complete a total of 28 sessions by the end of 2013. The underlying purpose of these workshops is to foster a **meaningful dialogue** between public and private sector leaders with respect to the challenges and opportunities of development and redevelopment created by today’s economic realities. (Appendix One, Navigating the New Normal brochure.) In particular, NNN workshops:

- Allow policy leaders to seek guidance in a way that is not possible in the course of normal day to day business, through open, candid, public private conversations.
- Connect a city’s demographic trends, market preferences and future growth patterns with the realities of (re)development brought about by the Great Recession.
- Emphasize the critical importance of communication and partnerships between cities and the development community.
- Identify strategies to position cities to be competitive and sustainable by attracting the best possible (re)development.

Workshop Format. NNN is structured as a two hour interactive workshop with city leaders and a panel of ULI MN real estate industry professionals. City participants include City Council, Planning Commission and Community Development staff. Depending on the city’s structure, other participants include Housing and Redevelopment Authority boards, Economic Development Authority boards, Port Authorities, mortgage assistance boards, housing, parks and environmental sustainability committees. This format was structured after discussions with elected officials, staff and ULI MN real estate developers. Workshops include:

- 1) Presentation of national and state trends which contribute to the New Normal.
- 2) Presentation of demographic community change information customized for each city.
- 3) Discussion and dialogue among city policy makers and ULI MN industry professionals.

Following each workshop, ULI MN prepares a summary of observations and ideas expressed during the course of the presentations and dialogue with the City. (Appendix Two, Summary Memo Example)

Who Benefits?

- **Elected** officials are smarter and have a better context for their work
- **City staff** are more fully aligned and efficient
- **Investors and developers** build trust with the public sector and gain confidence and willingness to take development risks
- **Citizens** enjoy the benefits of healthier, thriving places

Volunteer Engagement. NNN workshops offer an opportunity for participation by ULI MN real estate industry professionals. Each workshop includes a four person panel comprised of housing/mixed-use developers, commercial/industrial developers, community development planners, architects and public finance experts. **Thirty-four** volunteers have participated in NNN workshops since its inception in September 2011. The community change data, expertise and private sector advice is valued at over \$100,000 and would not be possible without the generosity of ULI MN sponsors and member volunteers. This support allows ULI MN to provide the workshops to RCM cities free of charge. (Appendix Three, NNN Workshop Panelists)

ULI Minnesota is in a unique position to deliver this expertise. It is the most trusted convener of those interested in responsible land use and is the only organization that includes active members across all of the real estate and land issue functions, both in the public, private and academic sectors. The Urban Land Institute and the ULI Foundation allow members to engage in a new kind of philanthropy that leverages the financial gifts of a few with the human capital of many, delivering very focused solutions when and where they are needed most.

"NNN provides a receptive table for candid discussion between policy leaders and real estate professionals; allowing for a shift from contentious to meaningful and respectful dialogue regarding the increased development challenges created by today's economic realities and demographic trends. The dialogues have spurred a new sense of trust among the public and private sectors."

Caren Dewar, Executive Director, ULI Minnesota

City Partners. Since September 2011, ULI Minnesota conducted 24 NNN Workshops (one per month) in a cross section of Minneapolis/St Paul (MSP) area cities and one Greater Minnesota city. Four additional workshops will be completed by the end of 2013. Cities where workshops were held comprised an aggregate of over 1.3 million in population. (Appendix Four, Cities Hosting Workshops)



Key Findings. Post workshop surveys were completed by cities who participated in NNN workshops. (Appendix Five, NNN Survey Results)

- **NNN workshops provide an opportunity for elected and appointed officials and city staff to discuss important (re)development issues.** Many cities reported that their councils, planning commissions and other appointed bodies rarely hold joint meetings except when considering a difficult issue. The NNN workshop format allows cities to candidly discuss important issues without the pressure of requiring their urgent/immediate attention or action.
- **NNN workshops provide private sector representatives an opportunity to interact with city officials in a setting other than a public hearing or the formal consideration of a particular development proposal.** Developers reported that NNN workshops create an environment which allows private and public sector participants to speak candidly and develop a deeper sense of what is possible in our communities. Private sector panelists offer straight forward opinions without the fear of backlash that may be present in an environment when a proposal is on the table.
- **Cities develop a deeper understanding of the challenges associated with (re)development from the private sector’s perspective.** Cities report that workshop panelists share a “real view” of what is important – what works, what doesn’t work, and what goes into the thought process of a developer as they consider investing in a (re)development project. Cities develop an appreciation of the effect their entitlement processes, standards and reputations have on the decisions made by the development community.
- **Developers at the NNN workshops reveal how important it is for cities to focus redevelopment efforts on the "A" sites, i.e. those that provide for the greatest return on investment and community impact.** Panelist identify the importance of aligning and prioritizing resources behind "A" sites to lower risk and result in increased developer interest and innovation. Focusing on "A" sites helps to create market interest and less risk in development of the "B" sites; creating truly transformative community redevelopment.

“As a developer, it is great to have an opportunity to interact with city officials in such an open way. The reality is that we are more often negotiating from opposite sides of the table. In this environment, we are getting to know each other and developing a deeper sense of what is possible. I believe that this is an important investment on both sides”

- John Breitinger, Vice President – Realty Advisory Services, United Properties; ULI MN Chair

- **Demographic community change data presented at the workshops offers a point of reference connecting demographic trends and (re)development possibilities.** Many cities, especially elected and appointed officials, are unaware of the demographic and employment changes presented at the workshops. This information provides the missing link between current conditions and trends that will affect (re)development activities in the future. The data provides context for the dialogues and challenges core assumptions regarding community growth. Cities develop a deeper understanding of the “aging tsunami” and the profound development and economic effects of Next Generations (immigrants and younger ages) that will change the face of all cities in Minnesota.
- **The workshops reinforce the importance of collaborative approaches to problem solving, partnerships with the development community, and clear community vision.** Communities with these traits, along with strong and consistent political will, are likely to rise to the top in the (re)development environment of the New Normal.
- **The workshops provide Cities with a better understanding of the thought process of the development community in selecting properties and communities for (re)development.** Cities learn that the Great Recession decimated the development community and quality developers remaining in business are careful to invest their limited pursuit capital in communities with a clear vision consistent with policies and regulations.



Point of View Developer's Panel

Delays are very costly. A "quick no" is preferable to a "slow no" or a "very slow yes".

Developers seek out cities which have their act together in terms of a clear vision, consistent policies and alignment among elected officials, appointed officials and staff.

Developers' greatest enemies are uncertainty and risk. Both developers and lenders are even more risk averse now, so cities that can be very clear about their expectations and have policies and procedures that expedite approvals for projects that are consistent with their vision will attract great (re)development.

Cities which are strategic about community engagement involve the community more in the planning and policy development stage (creating the standards) and less at the project approval stage to provide improved predictability in land use decisions.

Local Impact. The workshops prompted a cross section of cities in the MSP region to commence plans and initiatives that may not have been pursued without the knowledge gained from the NNN data and candid dialogues. On the other hand, some cities decided to abandon or scale back some (re)development aspirations as a result of what they learned from the panelists. A sample of the specific workshop “takeaways” and new initiatives provide a sense of the impact of the NNN Workshops. Brooklyn Park, Burnsville, Coon Rapids, Eagan, Golden Valley, Minnetonka, New Hope, Rosemount, and Roseville graciously shared their thoughts.

*“Since the workshop, our council **changed its position on the Bottineau LRT, and now supports the project.** We have also **approved three large-scale multi-family residential developments** and have created a redevelopment district near Highway 55 and Boone Avenue to facilitate sidewalk and trail construction. Finally, we are in the process of enhancing our outreach efforts to obtain interest in certain sites from the development community. Currently, our Community*

Development Department is seeking developers for areas along the Douglas Drive Corridor.”

*“[We gained a better understanding of] the **climate change of deal making.** Understanding more of what goes into the thought process of a developer and how requirements can change a project. **Policy for TIF/Tax abatement will be considered in the near future.** Also our work on the Economic Improvement Program was assisted by this effort.”*

*“[It was beneficial to have the] policy makers [engaged in a] development discussion not tied to a specific proposal. The panel was able to give our policy makers a real view of what is important, what works and doesn't work. **We now take a more realistic approach to development** and recognize that some market realities may keep up from some development we would like to have.”*

*“The information presented allowed the group to think of the community in a different way. It also helped them to understand how the private sector would look at some of the issues. **The Port***

***Authority's adopted goals and implementation strategies were devised with the information provided in mind.** The ideas [helped] to address some of the changes that were indicated would be occurring in the economy.”*

*“Hearing market information from outside sources was helpful. We used it as a stepping stone to hold other sessions to help get the Council to **provide policy direction on development vision and priorities...a work in progress.**”*

*“[The workshop helped us understand] the need for cities to take risks and to think differently about development. [As a result,] **small area plans have been completed.** Other efforts, such as niche market analysis to attract a specific and long desired user-type, have been halted.”*

*“The council is considering redevelopment plans for the Winnetka Learning Center site and they are **giving serious consideration to a new housing style for the city. (Stand Alone Townhomes on small lots)**”*

*“The Council **authorized the EDC to study the land consolidation policy** further [by reviewing] the City's Business Subsidy Policy. The Council resolved to again talk at a policy level about the Comprehensive Plan goal for the owner-occupied / rental ratio. The City engaged Maxfield and Associates to help understand what market forces would suggest for the Minnesota River Quadrant.”*

*“[We learned] the **importance of being clear about the City's goals and priorities** within areas that could be redeveloped or intensified. The City hired HKGi to do a small area redevelopment study of the Central Area to help guide discussions with CSM about the future options for the former Lockheed Martin property.”*